Oregon
Theodore Kulongoski, Governor

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January 29, 2009

Mr. Kelly Madalinski
Port of Portland
P.O. Box 3529
Portland, Oregon 97208

Re: No Further Action
Terminal 5
15540, 15550, and 15660 N. Lombard, Portland, Oregon
ECSI #1686

Dear Mr. Madalinski:

The Oregon Department of Environmental Quality (DEQ) completed a review of the following documents for the above-referenced site:

- *Preliminary Assessment,* Port of Portland, September 7, 2000;
- *Groundwater Monitoring Report,* Ash Creek Associates, January 2006;
- *Contaminated Area and Media Management Plan,* Ash Creek Associates, February 6, 2006; and
- *Stormwater Evaluation,* Port of Portland, October 12, 2006

The DEQ requested that the Port of Portland (Port) evaluate the subject site's potential impact to the Willamette River as part of upland investigations in Portland Harbor. The subject property is shown on Figures 1 and 2.

The DEQ determined that no further action is required to address environmental contamination at the Terminal 5 property. This determination is based on the regulations and facts as we now understand them, including but not limited to the following:

1. Terminal 5 is located in the Rivergate Industrial District of north Portland (Figure 1). The site is located between River Miles 1 and 2 on the east bank of the Willamette River, which is within the Portland Harbor Superfund Site Study Area. The property was undeveloped prior to 1975. Between 1964 and 1973, portions of the area were filled in preparation for development. Three tenants currently operate facilities at Terminal 5: Portland Bulk Terminals, LLC (PBT), Tenex Management Limited (Tenex), and Columbia Grain, Inc. (Figure 2). Alcatel Submarine Network (Alcatel) operated at Terminal 5 from 1988 through 2001 when it shutdown its fiber optic cable plant. The facility was unused until February 2006 when Alcatel assigned its lease to Tenex.

2. There are five stormwater outfalls to the Willamette River from the Port T5 site (Figure 2). The PBT and Columbia Grain facilities are permitted to discharge stormwater under General 1200-Z NPDES permits; since Tenex does not conduct manufacturing or other industrial activities outdoors, no operation-specific stormwater permit is required. In accordance with these permits, these facilities have prepared and implemented storm water pollution control plans (SWPCPs) that include stormwater best management practices (BMPs). PBT and Columbia Grain are in compliance with their stormwater permits, and there have been no recent benchmark exceedances during permit-required sampling of stormwater discharges.

3. An underground storage tank, located on property leased to Columbia Grain, was removed during May of 1998. The tank was a 3,000 gallon diesel tank. The DEQ file number is 26-98-0752. No environmental concerns were evident at time of removal, and DEQ issued a no further action determination.

4. The Blue Lagoon was a body of water used by Oregon Steel Mills (OSM) as a source of cooling water. OSM used water from the Blue Lagoon to cool slag; water was returned to the lagoon via a drainage ditch located on OSM property. The Blue Lagoon was approximately 4 acres in size and was contiguous with the southwestern margin of Terminal 5. OSM continued to use the lagoon until 1994.

5. Blue Lagoon site investigations were conducted by the Port in 1994-95. Subsurface soil investigations in 1994 and 1995 collected a total of six samples from the buried sediment layer within the former lagoon. Analytical results showed subsurface concentrations of barium (75-907 mg/kg), chromium (15-236 mg/kg), copper (15-112 mg/kg), lead (4-82 mg/kg), mercury (0.03-0.26 mg/kg), nickel (6-47 mg/kg), zinc (40-550 mg/kg), and Arochlor1248 (1.4-8.7 mg/kg) that exceed DEQ's lowest screening level values for terrestrial receptors by one to two orders of magnitude; however, all metal concentrations were less than EPA industrial PRGs. In 1996 the Port filled the Blue Lagoon with sand from a pile of fill material placed on the property as surcharge. Although this buried contaminated lagoon sediment is not currently accessible to terrestrial receptors, potential future excavation of this material could result in ecological exposure if the excavated soil was not managed properly. The Port instituted a *Contaminated Area and Media Management Plan* in February 2006 to protect potential future exposure to impacted groundwater and buried sediment, which will be maintained indefinitely.

6. Groundwater monitoring in the vicinity of the Blue Lagoon in December 2005 showed groundwater flow towards the south to west-southwest, consistent with previous measurements. Although on-site concentrations of metals are elevated above DEQ Portland Harbor Joint Source Control Strategy screening levels values, concentrations are stable and the estimated groundwater travel time from the former Blue Lagoon 1,200 feet to the Willamette River is approximately 40 years. Groundwater monitoring in adjacent downgradient OSM wells do not show a plume of concern. OSM concluded that the former Blue Lagoon does not appear to be a significant source of metals in groundwater at their site (*Source Control Evaluation Report- Metals in Groundwater*, OSM, May 12, 2006).

7. Sediment sampling was conducted adjacent to Terminal 5 on several occasions from 1995 to 2000, incidental to maintenance dredging at facility berths. Based on a review of this sediment data, site operations and historic spills and/or hazardous substance releases, there does not appear to be significant sediment contamination adjacent to the subject site that is related to site activities. Portland Harbor Round 3 sediment data for RM 1-2 adjacent to the subject site do not appear to be elevated and do not indicate that there are significant current sources of contamination at the T5 Site.

8. The DEQ's October 2, 2008 Portland Harbor Source Control Decision for Terminal 5 concluded that:
    - the stormwater pathway is not complete due to current site operations, no known historical site releases that could impact stormwater, and adjacent Willamette River sediment results;
    - there are no current or reasonably likely future on-site groundwater contaminants that could migrate to the Willamette River; and
    - this site is not a current or reasonably likely future source of contamination to the Willamette River and that no source control measures are required at this time.

DEQ concludes that based on the information presented to date, the Terminal 5 site is currently protective of public health and the environment and does not appear to be a current source of contamination to the river. Therefore, no further action is required under the Oregon Environmental Cleanup Law, ORS 465.200 et seq., unless new or previously undisclosed information becomes available. We will update the Environmental Cleanup Site Information System (ECSI) database to reflect this decision.

Please call me at 503-229-5326 if you have any questions.

Sincerely,

Tom Gainer, P.E.
Project Manager
Portland Harbor Section

Attachments: Figures 1 and 2

cc: Jim Anderson, DEQ/NWR
Kristine Koch, EPA